

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 AGR-10 CEA-01 CIAE-00 COME-00 DODE-00

EB-07 FRB-01 H-02 INR-07 INT-05 L-02 LAB-04 NSAE-00

NSC-05 PA-02 RSC-01 AID-05 CIEP-02 SS-15 STR-04

TAR-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 XMB-04

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FM AMEMBASSY MONTEVIDEO

TO SECSTATE WASHDC 7884

INFO AMEMBASSY ASUNCION

AMEMBASSY BOGOTA

AMEMBASSY BRASILIA

AMEMBASSY BUENOS AIRES

AMEMBASSY CARACAS

AMEMBASSY LA PAZ

AMEMBASSY LIMA

AMEMBASSY MEXICO

AMEMBASSY SANTIAGO

AMEMBASSY QUITO

UNCLAS MONTEVIDEO 3698

E.O. 11652: N/A

TAGS: ECIN, LAFTA

SUBJ: LAFTA: 14TH REGULAR ANNUAL SESSION CLOSES:

EXTRAORDINARY CONFERENCE CALLED.

REF: A) MONTEVIDEO 3635

B) MONEVIDEO A-185 OF DEC 19, 1974

1 SUMMARY. 14TH REGULAR ANNUAL SESSION OF LAFTA ENDED
DEC 18 AFTER SETTING THE DATE FOR RECONVENING THE
RECESSED THIRD ROUND OF COLECTIVE NEGOTIATIONS AND
CONVOKING AN EXTRADORDINARY CONFERENCE. URUGUAY'S STATUS
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AS A LESS DEVELOPED COUNTRY WITHIN LAFTA WAS EXTENDED

THROUGH 1980. LITTLE OTHER BUSINESS OF IMPORTANCE TOOK PLACE AS IT WAS CLEAR THAT INTEREST WAS FOCUSED ON THE EFFORTS TO REORGANIZE LAFTA.END SUMMARY.

2. BEFORE ADJOURNING, THE 14TH REGULAR ANNUAL SESSION APPROVED THE RECONVENING OF THE RECESSED THIRD ROUND OF COLLECTIVE NEGOTIATIONS JUNE 2-30, 1975 IN MONTEVIDEO (REF A). AN EXTRAORDINARY CONFERENCE WAS ALSO CALLED, TO CONVENE AFTER COMPLETION OF THE THIRD ROUND MEETING TO CONSIDR ITS RESULTS.

3. PERHAPS THE MOST IMPORTANT OTHER RESULT OF THE 14TH SESSION WAS TO APPROVE THE EXTENSION OF URUGUAY'S STATUS, TO DEC 31, 1980, AS ONE OF THE LESS DEVELOPED COUNTRIES OF LAFTA (AND THUS ALONG WITH BOLIVIA, PARAGUAY AND ECUADOR ENTITLED TO CERTAIN ADVANTAGES WITHIN THE LAFTA FRAMEWORK). APPORVAL OF THIS EXTENSION HAD BEEN DESCRIBED AS "FUNDAMENTAL" FOR URUGUAY BY ITS FONMIN IN HIS SPEECH INAUGURATING TH 14TH SESSION.

4. OTHER BUSINESS TREATED BY THE 14TH SESSION FOLLOWED PREVIOUSLY PRPARED AGENDA (REF B). ONLY ONE NEW NATINAL LIST CONCESSION WAS OBTAINED (BY PARAGUAY). IN CONCESSIONS NOT EXTENDED TO OTHER COUNTRIES, PARAGUAY OBTAINED 23 CONCESSIONS FROM ARGENTINA AND URUGUAY OBTAINED 2 FROM THE SAME COUNTRY. A VARIETY OPFREVIOUSLY GRANTED CONCESSIONS WERE EXTENDED OR OTHERWISE AMENDED.

5. ADDITIONAL CONCESSIONS WERE NEGOTIATED UNDER COMPLEMENTATION AGREEMENTS IN THE PETROLEUM DERIVATIVE, PHOTOGRAPHIC AND COLORING AND PIGMENTATION INDUSTRIES.

6. SUMMING UP THE RESULTS IN A CLOSIN SPEECH, 14TH SESSION PRESIDENT AND BOLIVIAN AMBASSADOR WILLY VARGAS SAID THAT THE RESULTS HAVE TO BE EVALUATED IN LIGHT OF THE EXPECTATIONS RAISED BY THE COLLECTIVE NEGOTIATONS UNDERTAKEN IN ACCORD WITH ARTICLE 61 OF THE TREATY UNCLASSIFIED

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OF MONEVIDEO AND ARTICLES 2AND 3 OF THEPROTOCOL OF CARACAS. VARGAS SAID THAT BECASE OF THE EXTREME COMPLEXITY OF THE ISSUES INVOLVED (IN EVALUATING AND REORGANIZING LAFTA) THE 14TH SESSION APPROVED THE CONTINUATION OF COLLECTIVE NEGOTIATIONS IN JUNE 1975 AND THIS DECISION NOT TO AVOID THE CHALLENGE OF REORGANIZATION" WAS THE MOST IMPORTANT RESULT OF THE SESSION. HE ALSO POINTED OUT THAT THE OTHER

RESULTS OBTAINED IN THE SESSION WERE EXPECTED AND NOTED THAT, AS NEW METHODS OF ORGANIZING LAFTA WERE UNDER STUDY, AN INTENSE SERIES OF NEGOTIATIONS AT THE 14TH SESSION WAS NOT TO BE EXPECTED.

7. COMMENT: THE 14TH REGULAR ANNUAL SESSION WAS ANTICLIMATIC GIVEN THE RECESS OF THE THIRD ROUND OF COLLECTIVE NEGOTIATIONS. ARGAS' SUMMATION, WHILE NOT UNEXPECTEDLY PUTTING THE BEST INTERPRETATION POSSIBLE ON THE SESSION IS NEVERTHELESS A FAIR EVALUATION OF THE RESULTS. THE REFORMS AND ISSUES UNDER CONSIDERATION BY THE FIRST, SECOND AND THIRD ROUNDS OF COLLECTIVE NEGOTIATIONS WERE TOO MANY AND TOO IMPORTANT TO HAVE BEEN HANDLED IN THE SHORT AMOUNT OF TIME AVAILABLE AND MEMBER COUNTRY GOVERNMENTS ARE NOW AWARE OF THIS. IN ADDITION ACCORDING TO ONE LAFTA SOURCE, THE DELEGATES WERE PARTICULARLY CAUTIOUS AT THIS TIME BECAUSE OF GENERAL WORLD ECONOMIC CONDITIONS. LAFTA REORGANIZATION AND REVITALIZATION IS PERHAPS CLOSER BUT IT IS CLEAR THAT THE CONTRACTING PARTIES HAVE STILL TO TAKE MANY BASIC DECISIONS.
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